



SSF WORKING GROUP

15 - 24 April 1998



Purpose

- **To outbrief results of Single Stock Fund Working Group session 15-24 Apr 98**
- **Discuss courses of action and recommendations**
- **Gain decision to brief Single Stock Fund Executive Steering Committee**



Discussion Topics

- **Mission and Focus**
- **MS1A Workgroup Process**
- **Courses of Action**
- **MS1A Roles and Responsibilities**
- **MS1A OA Distribution**
- **MS1 Demonstration**
- **Exit Criteria**
- **Summary and Recommendations**



Why We Are Here

MISSION

- Merge retail & wholesale stock funds by 1 Oct 98
- Define “Merge”
- Identify impacts
- Establish exit criteria
- Develop implementation plan

HOW

- Group effort
- Identify what we specifically need to do to make changes
- Identify changes that need “undoing”
- Any dissenting positions must be clearly defined and defended



Who Is Represented?

- HQDA
 - DA-DSCLOG
 - ASA (FM&C)
- AMC
 - TACOM
 - CECOM
- DSS-W
- NGB
- DFAS
- FORSCOM
- LIA
- TRADOC
 - CASCOM
- PMO-ISM
- AAA
- USARC
- USAREUR
- USARPAC
- GRCI



Assumptions

- **SSF MS1A establishes requirements for the Army's end-state system -- GCSS-Army as well as LOGMOD and DJAS**
- **All supply and finance systems changes for MS1A will be funded and implemented**
- **Will not interfere with current fielding of logistics and financial systems (STARFIARS-MOD, SARSS, ILAP, SAMS I/TDA, et. al.)**

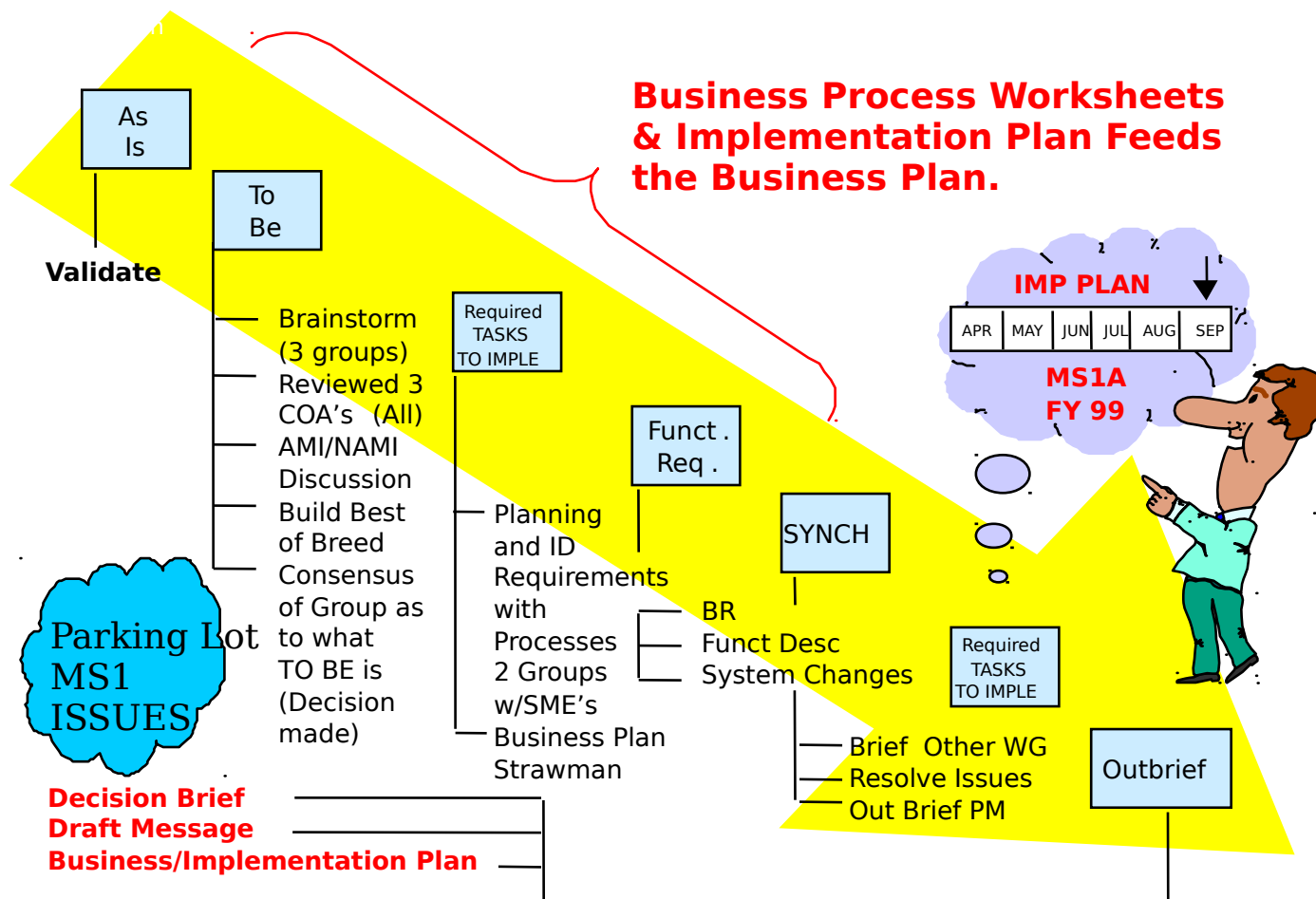


Constraints

- **Insufficient time to make major changes to legacy logistics and financial systems.**
- **No adverse financial impact on the field**
- **Supports current OPTEMPO funding**
- **No adverse impact on readiness**



Process for SSF Working Group Session





Brainstorming Session

3 Courses of Action

- **RE-ENGINEER OA/CREDIT DISTRIBUTION FLOW.**
 - ✓ The source of OA/Credit for the MACOMs is AMC
 - ✓ DALO-RMI manages and AMC executes AWCF SMA PPBES processes
 - ✓ Field MACOMs become designated as USAMC sub-home offices
- **PUSH WHOLESALE TO INSTALLATION AT 1 TO 2 SITES THROUGH A DEMONSTRATION. (CCSS / SDS)**
 - ✓ Elimination of RSF OA/Credit at selected sites
 - ✓ Direct consumer funding of AMI requisitions
 - ✓ RSF stays in place for NAMI
 - ✓ Retail and Wholesale AWCF remain unchanged at all but the test sites
- **RE-ENGINEER OA/CREDIT DISTRIBUTION FLOW, AND ESTABLISH A NATIONAL BUSINESS OFFICE.**
 - ✓ The source of OA/Credit for the MACOMs is NBO
 - ✓ Financial reports will summarize up to NBO from the MACOMs
 - ✓ Field MACOMs become designated as NBO sub-home offices



Best of Breed Session

MS1A SSF will merge the wholesale and retail stock funds through:

- **A “new” SSF national management process that realigns roles and responsibilities of DA-DCSLOG and MACOMS**
- **Distribution and execution of AWCF-SMA OA/credit by the AMC**
- **Demonstrate linkage of wholesale AWCF- SMA to installation at 3 sites during FY 99.**



SSF MS1A Does Not:

- **Constitute a single point of sale**
- **Eliminate retail AWCF-SMA**
- **Provide the Army with an integrated requirements determination process**



Best of Breed Recap

- **National Management Process**
- **Distribution and Execution of AWCF-SMA OA/Credit**
- **Demonstrate Linkage of Wholesale AWCF-SMA to Installation**



Single Stock Fund

National Management Process and Distribution and Execution of OA



MS1A Definition

A “new” SSF National Management process that realigns financial roles and responsibilities of DA DCSLOG and MACOMs

- DA DCSLOG manages and AMC executes AWCF-SMA PPBES processes
- Includes AMI and NAMI

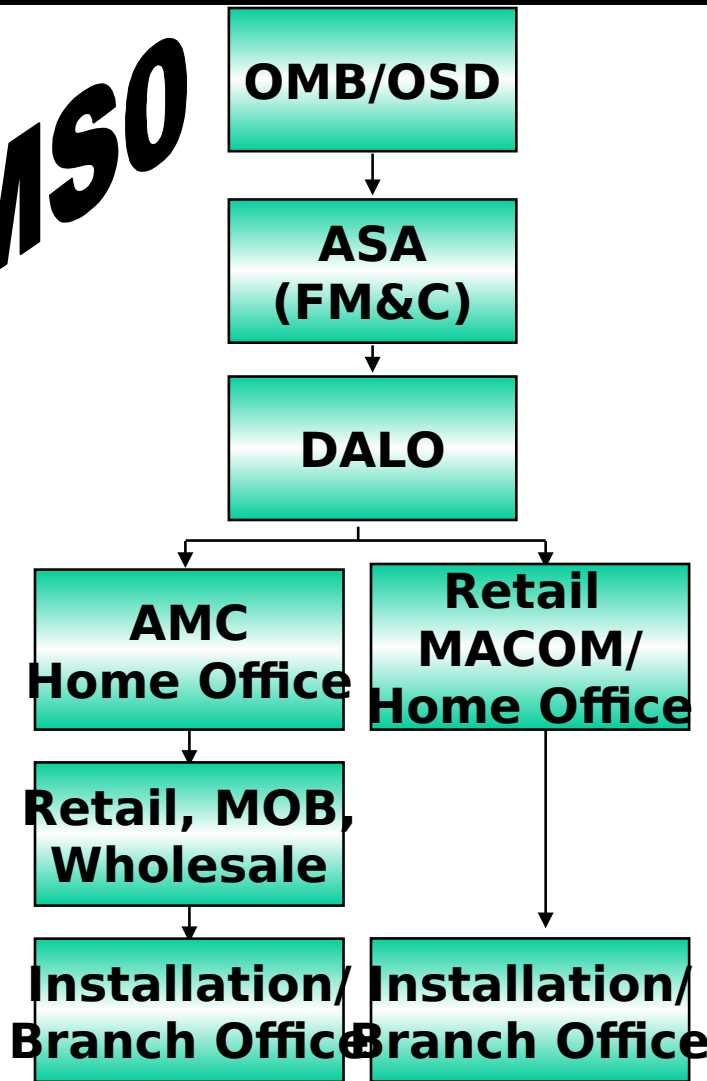
Distribution and execution of AWCF-SMA OA/Credit by the AMC

- Re-engineer OA/Credit distribution flow
- The source of OA/Credit for the MACOMs is AMC
- MACOM summary financial reports to AMC
- MACOMs SMA activities designated as USAMC sub-home offices

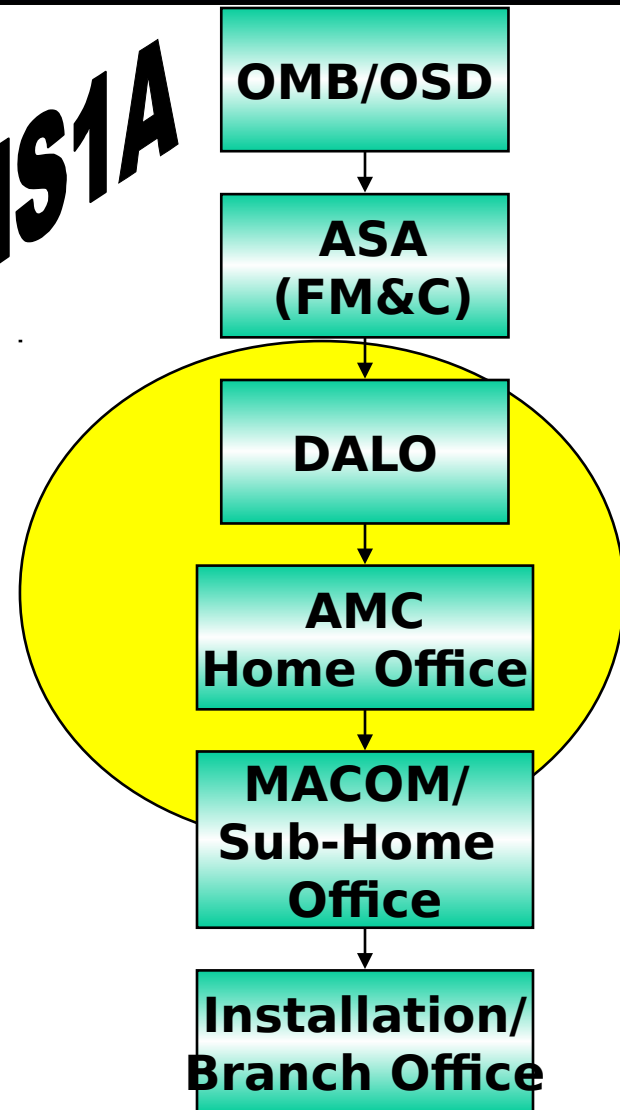


Roles and Responsibilities SMA Management

MSO

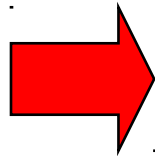


MS1A





SSF MS1A Revised Roles and Responsibilities



- **Mission essential tasks**
- **OA distribution and execution**
- **Benefits**
- **Decisions required to implement**
- **Implementation Actions Required**



Sma Management Roles and Responsibilities (Mission Essential Tasks)

- **Policy**
- **Program and Budget**
- **Budget Execution**
- **Cash Management**
- **Liaison with others**



Mission Essential Tasks Policy

	MS 0	MS 1A
Set fiscal policy	F	F
Develop RPI Policy	D	D
Approve RPI List	D	D
Develop and Propose RPI List	A	A
Approve Exception to Policy Bypass Authority	D	D
Approve logistical realignment (expense vs. investment)	D	D
<i>Shifts from DA home office to an AMC sub-home office</i>	M	M
Establish MACOM Policy in accordance with DA policy for Retained and Consumable Credit Tables	M	M
Establish local SMA policies	M/I	M/I

F= ASA (FM&C); D=DALO; A=AMC; M=MACOMs; I=Installations

+ = Increasing Role - = Decreasing Role

Blue = Change in scope Red = New or transferred mission



Mission Essential Tasks Program and Budget

	MS 0	MS 1A
Develop Budget Guidance	D	D
Publish Budget Guidance	F	F
<i>Develop Supplemental Budget Guidance</i>	A	A+
OPTEMPO WorkGroup Business to Operational Customer Funding (DAMO-TR, SAFM-BUO, PA&E)	D	D
Develop SMA Policy including Credit and Pricing	D	D
Develop DA Alternate Credit Rates (for PPBES and materiel returns)	D	D
Develop and Propose Surcharge	A	A
Review, Mark and Approve Surcharge	D	D
Develop Pricing and Credit Rates (NSN by NSN)	A	A
Develop Initial Spares BES	D	D
Initial Provisioning and Maintenance Reviews (OP29)	D/A	D/A

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Mission Essential Tasks Program and Budget (Cont'd)

	MS 0	MS 1A
Review, Mark and Approve Wholesale SMA Budget	D	D
Review, Mark and Consolidate AMC-ID (Retail) SMA Budget	A	A
Review, mark, consolidate, submit and defend Retail Budget	M	M
Review, Mark and Consolidate Wholesale ICP SMA Budgets (Hardware, LOGOPs and Capital)	D/A	D/A
Review, Mark and Consolidate AMC MOB Activity Budget	D/A	D/A
<i>Review, Mark and Approve SMA Budget</i>	D	D-/A+
<i>Consolidate Wholesale, Retail & MOB Budgets for SMA Budget</i>	D	D-/A+
<i>Defend Budget at HQDA, assist DA at OSD/OMB hearings</i>	A	A+
Defend Budget before OSD/OMB	F/D	F/D
<i>DMRD and PBD Review, Analyze and Report</i>	D/A	D-/A+

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Mission Essential Tasks Program and Budget (Cont'd)

	MS 0	MS 1A
<i>Staff Visits to MACOM sub home offices for Budget & Execution Reviews</i>	D	A
Staff Visits to ICPs for Budget & Execution Reviews	A	A
Staff Assistance visits to installations	A/M	A/M
<i>Focal point to arbitrate SMA budget and execution between field MACOMs and AMC</i>		D

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Mission Essential Tasks Budget Execution

	MS 0	MS 1A
Review and process reprogramming actions	F/D	F/D
<i>Support HQDA DCSLOG</i>	D/A/M	D-/A+/M
<i>Performs Financial/Logistical Inventory Reporting (SSIR, QSR, S4A, Statement 7)</i>	D/A/M /I	D- /A+/M/I
Resolve MRP credit reversal controversies between field MACOMs and AMC	D	D
<i>Conduct Execution Reviews and Compile Reports</i>	D/A/M	D-/A+/M
Monitors execution of Retained and Consumable Credit Tables	M/I	M/I
Maintains oversight and monitors DA alternate credit rates	D/M/I	D/A/M/I
Manage mobility stocks	D/A	D/A
Manage Operational Project Stocks	D/M/I	D/M/I

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Mission Essential Tasks Budget Execution (Cont'd)

	MS 0	MS 1A
<i>MACOM-level execution reporting</i>	D/A/M	D/A+M
<i>Report of Execution data</i>	F/D/A/M/I	F/D-/A+M/I
<i>Manage OA/Credit/UCG Execution</i>	D/A/M/I	D-/A+M/I
Pay DoD Bills (SDT, DLA Over Ocean, DLA Supply Depots, et. al.)	A	A
Investigate and prosecute ADA (1517) violations	F/D/M/I	F/D/M/I

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Mission Essential Tasks Cash Management

	MS 0	MS 1A
Army AWCF cash manager	F	F
<i>Net Outlay Management and Reporting</i>	D/A/M/I	D-/A+/M/I

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Mission Essential Tasks Liaison With Others

	MS 0	MS 1A
Army liaison to DFAS (FO)	F	F
Army AWCF focal point for OSD liaison	F	F
<i>Participates in new systems installation and testing</i>	F/D/A/M/I	F/D/A+M/I
Participates in Joint Service Working Groups for DWCF	F/D	F/D
Resolve and report financial and logistical systems problems to their proponent agencies	F/D/A/M	F/D/A/M

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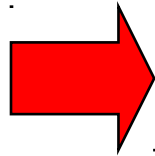
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SSF MS1A

Revised Roles and Responsibilities



- **Mission essential tasks**
- **OA distribution and execution**
- **Benefits**
- **Decisions required to implement**
- **Implementation Actions Required**



OA Distribution and Execution

- **Mission Essential Tasks**
- **“As Is” and “To Be” process flow**
- **Business rules**



Mission Essential Tasks OA/Credit Execution

	MS 0	MS 1A
<i>Issue OA/Credit</i>	F/D/A/M	F-/D-/A+/M
Realign OA/Credit between ICPs and within ID as needed	A	A
<i>Realign OA/Credit between MACOMs as needed</i>	D/M	A/M
Re-allocate between installations	A/M	A/M
<i>Request for additional resources</i>	F/D/A/M/ I	F/D-/A+/M/I

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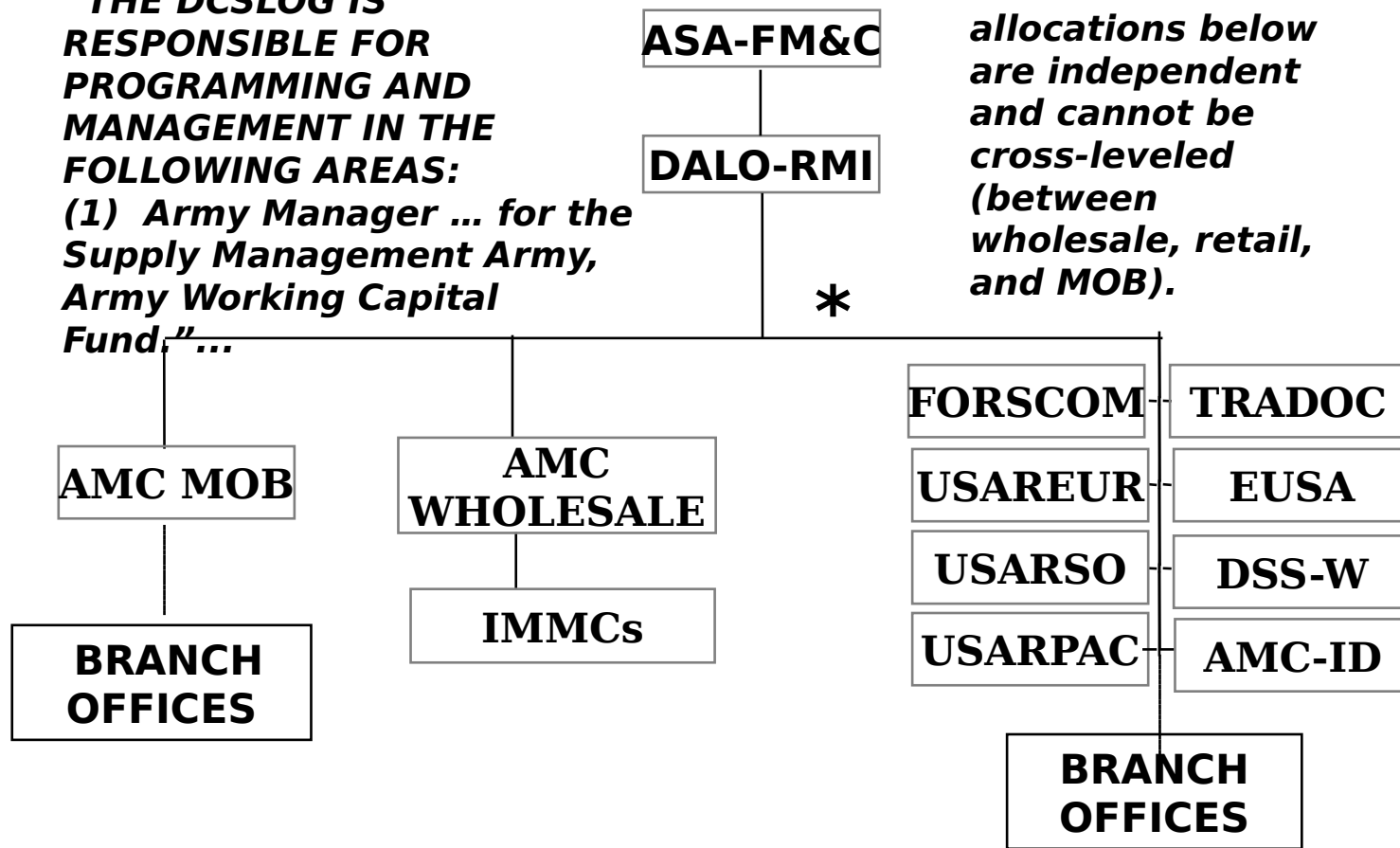
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Supply Management, Army Obligation Authority and Credit Authority Flow As Is

AR 10-5
"THE DCSLOG IS
RESPONSIBLE FOR
PROGRAMMING AND
MANAGEMENT IN THE
FOLLOWING AREAS:
(1) Army Manager ... for the
Supply Management Army,
Army Working Capital
Fund,"...

*** Each of the**
allocations below
are independent
and cannot be
cross-leveled
(between
wholesale, retail,
and MOB).



FUNDS ARE DISTRIBUTED ON A FUNDING AUTHORIZATION DOCUMENT (FAD) (DA FORM 1323)



Supply Management, Army Obligation Authority and Credit Authority Flow "1 Oct 98"

AR 10-5
"THE DCSLOG IS RESPONSIBLE FOR PROGRAMMING AND MANAGEMENT IN THE FOLLOWING AREAS:
(1) Army Manager ... for the Supply Management Army, Army Working Capital Fund."...

ASA-FM&C

DALO-RMI

AMC *

*** Each of the allocations below are independent and cannot be cross-leveled (between wholesale, retail, and MOB).**

AMC MOB

AMC
WHOLESALE

IMMCs

BRANCH
OFFICES

FORSCOM

TRADOC

USAREUR

EUSA

USARSO

DSS-W

USARPAC

AMC-ID

BRANCH
OFFICES

FUNDS ARE DISTRIBUTED ON A FUNDING AUTHORIZATION DOCUMENT (FAD) (DA FORM 1323)



MS1A Business Rules

Business rules do not require reversal for MS1

- **Authority to redistribute OA and Credit Authority among retail divisions will reside with AMC in coordination with the MACOMs**
- **No additional limitations placed on retail stock fund FADs by AMC**
- **MACOMs must go to AMC first to resolve issues within the SMA**
- **No change for installations**
- **There will be no changes in the credit policy**

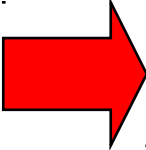
Some credit policy changes at demo sites

We took a look at the Air Force SMAG....MS1A positions AMC closer to the role played by Air Force Materiel Command.



SSF MS1A

Revised Roles and Responsibilities

- 
- **Mission essential tasks**
 - **OA distribution and execution**
 - **Benefits**
 - **Decisions required to implement**
 - **Implementation Actions Required**

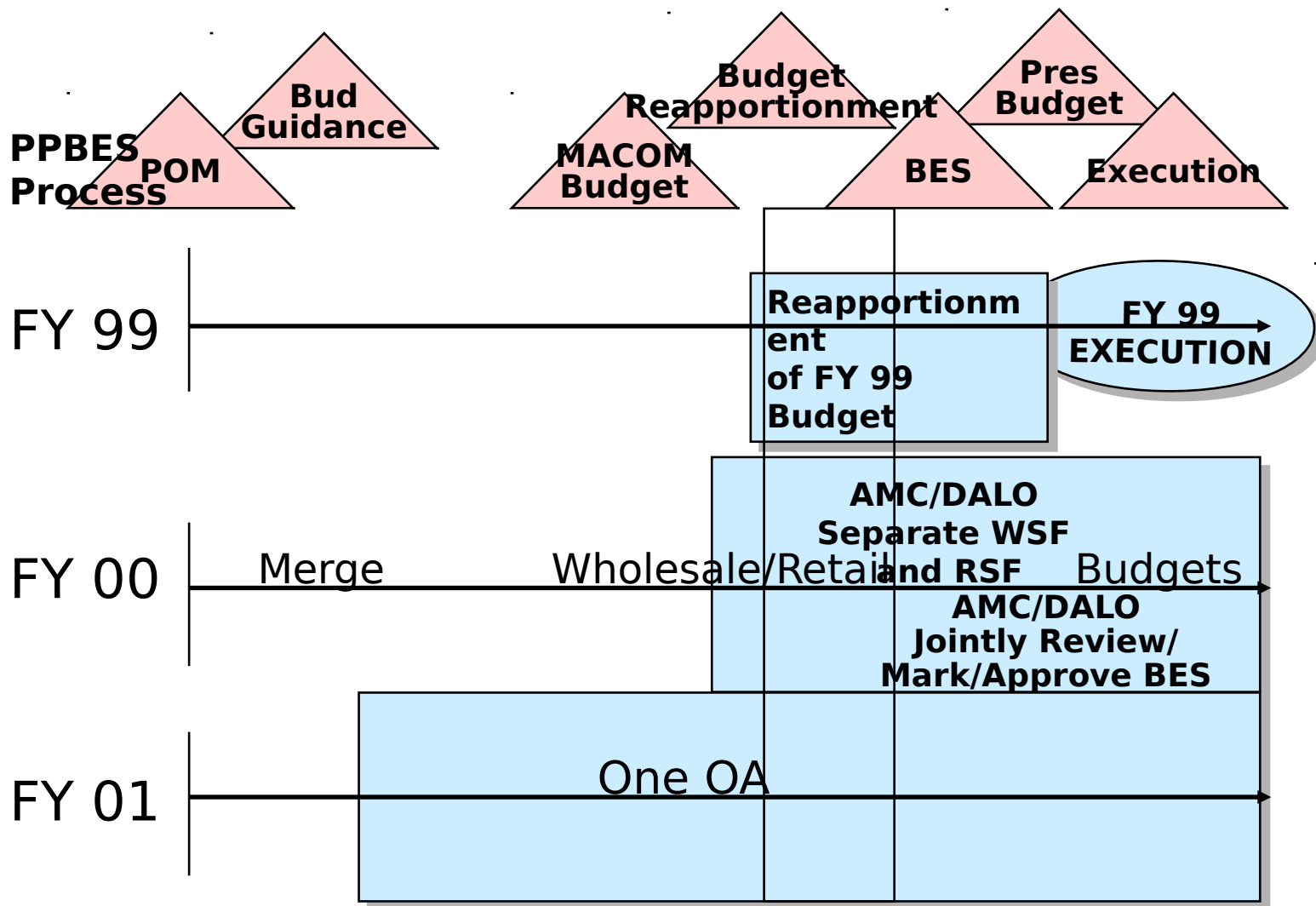


Benefits of Changing Roles and Responsibilities

- **Positions AMC to assume full AWCF-SMA management**
 - Accelerates AMC participation in SMA PPBES
 - Provides a better SMA budget for the Army
- **Forges the relationship between MACOMs and AMC - moving them closer to their roles at SSF end state**
- **Begins a logical transition period for SMA program and budget**



Benefits of Program Budget Integration





Decisions Required to Implement Realigned Financial Roles and Responsibilities

- **Accept** the revised financial Roles and Responsibilities
- **Validate AMC** as the National Manager for AWCF-SMA by 1 May 98 to:
 - Incorporate changes in DFAS-IN 37-100-99
 - Increase AMC involvement in FY 99-01 SMA PPBES process
- **Approve Change in OA/Credit flow** effective 1 Oct 98

(F)

**Changes must be in DFAS
NLT 1 June 98**



MS1A Implementation Actions Required

- DCSLOG/ASA(FM&C) message - outlines SSF MS1A changes; provides AMC authority to execute
- AMC identifies the resource requirements for MS1A
- PM SSF Memorandum request to DFAS to change report flow NLT 15 May 98
- PM SSF Memorandum to change DFAS-IN 37-100-99 (ASA-FM&C approve by 1 Jun 98)
- DALO-RMI update AWCF-SMA Charter to reflect MS1A changes NLT 1 Aug 98
- ASA(FM&C) Memorandum to DFAS for PBAS change NLT 1 Sep 98



Single Stock Fund

Demonstrate Linkage of Wholesale to Installation



Outline

- **Objectives & Assumptions**
- **Demonstration Parameters & Timelines**
- **Site Considerations**
- **Summary & Recommendations**



Objectives

- **Single point of sale**
- **Single credit process**
- **Integrated requirements determination and execution process**
- **Minimal impact to Commander's ability to execute mission**

Goal



Assumptions

- **Successful demonstration is the first phase of Army implementation (FUE)**
- **Ability to perform immediate release of stocks stored at demo sites.**
- **Demo establishes environment of MS1**
- **Any financial and billing issues resulting from the demonstration will be resolved by HQDA**

OA and Credit will require unique management at the demo sites

Promise no financial impact at demo sites in FY99!



Approach

- **Goal:** Link national AWCF-SMA to installation customers
- **Plan:**
 - **Test selected processes and features of MS1 in Lab (1st QTR FY99)**
 - **Test at selected field sites:**
 - Phase 1: TRADOC & AMC (Jan-Mar 99)
 - Phase 2: Extend to FORSCOM (Date TBD)
- **Options Considered:**
 - Only AMI (would exclude AMC site)
 - AMI & NAMI
- **Evaluation:** Task an Independent Agency to conduct

Impact on credit, sales and integrated Rqmts

Systems and middleware solution TBD!



Assessment

AMI-ONLY OPTION

PROs:

- Easier to implement
- Does not extend AMC structure
- Optimizes use of Army reparable

CONs:

- Continues RSF processes
- More difficult for O&M customer to track
- SSA using dual systems

AMI-NAMI OPTION

PROs:

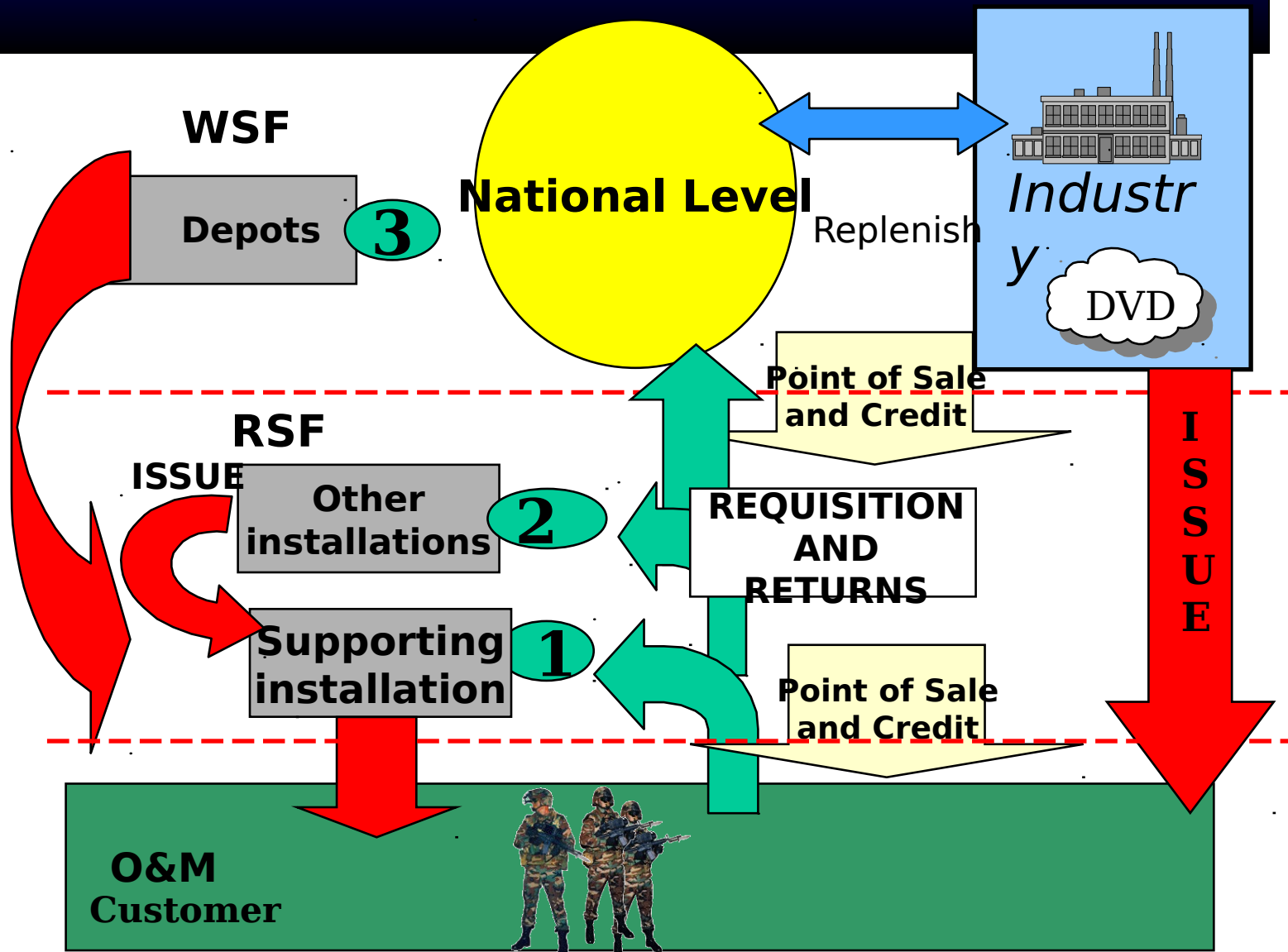
- Minimal impact to the Commander
- One process for all Army-owned materiel
- Single ownership record
- Moves closest to needs-based Army credit system

CONs:

- Possible OSD opposition
- Increases complexity of implementation

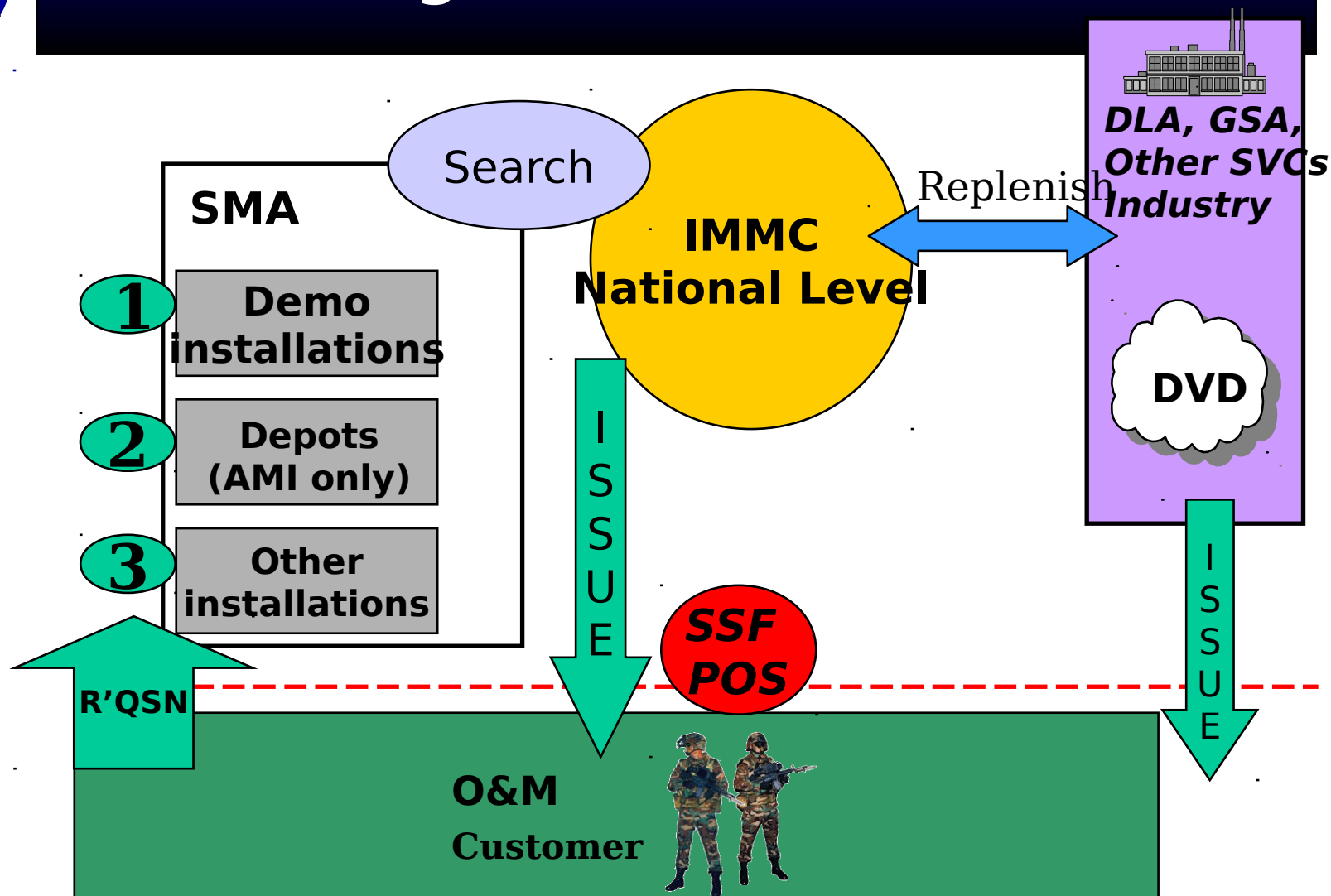


As Is Process Flow





Single Point of Sale





Single Point of Sale Overview

BENEFITS:

- Demonstrates a key SSF process
- Increases management efficiency for Army-owned inventory
- Streamlines financial/billing procedures

RISKS:

- Increased workload for AMC
- Residual installation impacts

ASSESSMENT

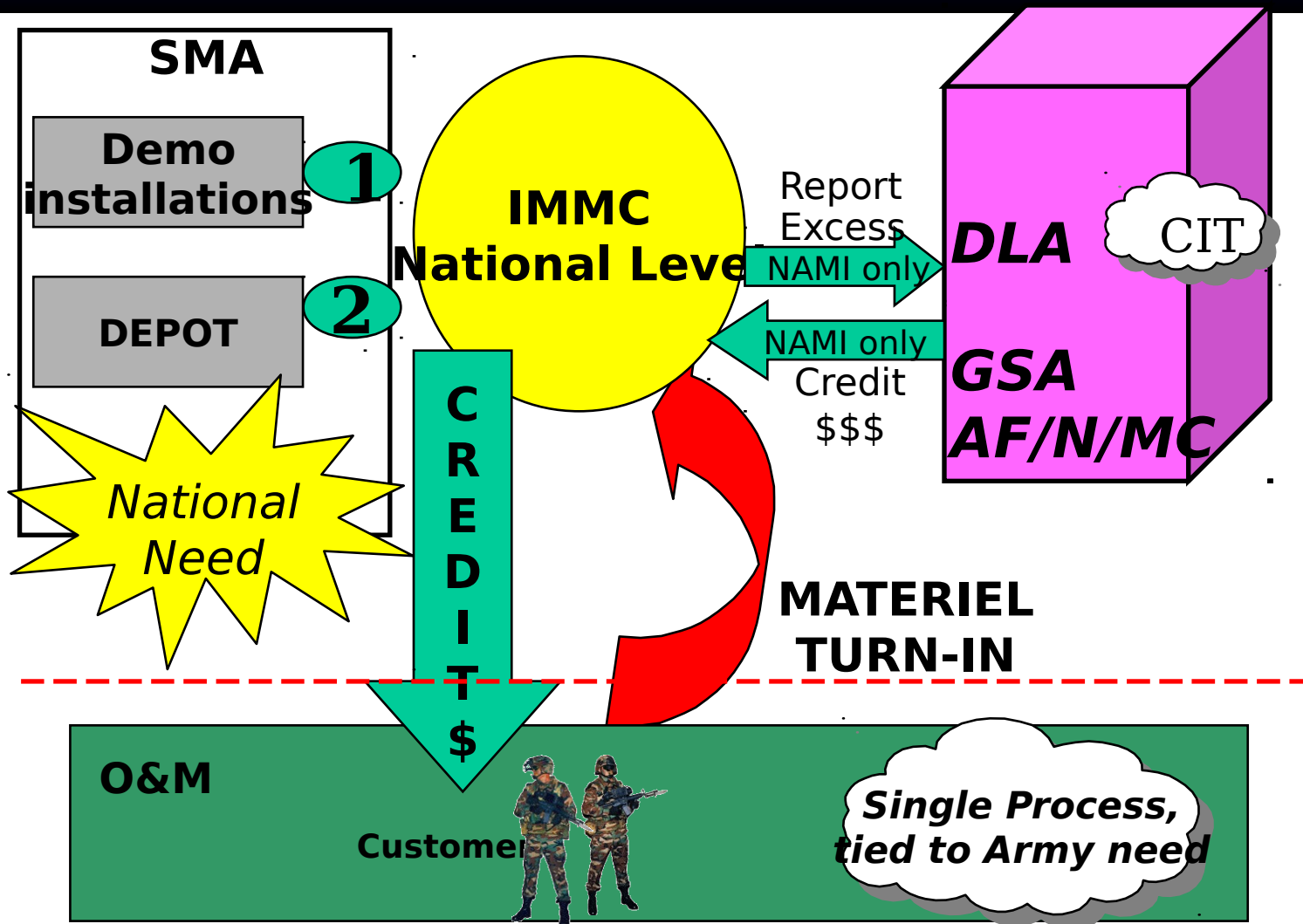
Low
Low

ACTIONS REQUIRED:

- Army policy and procedures to update DoD Lateral Redistribution Tables.
- DoD waiver to handle NAMI stocks for the Army when no SOS credit will be given.
- NAMI IMMC for data management



Single Point of Credit





Single Point of Credit Overview

BENEFITS:

- Demonstrates a key SSF process
- Extends management efficiency & responsibility for Army-owned NAMI inventory
- Moves us toward a needs-based credit policy

RISKS:

ASSESSMENT

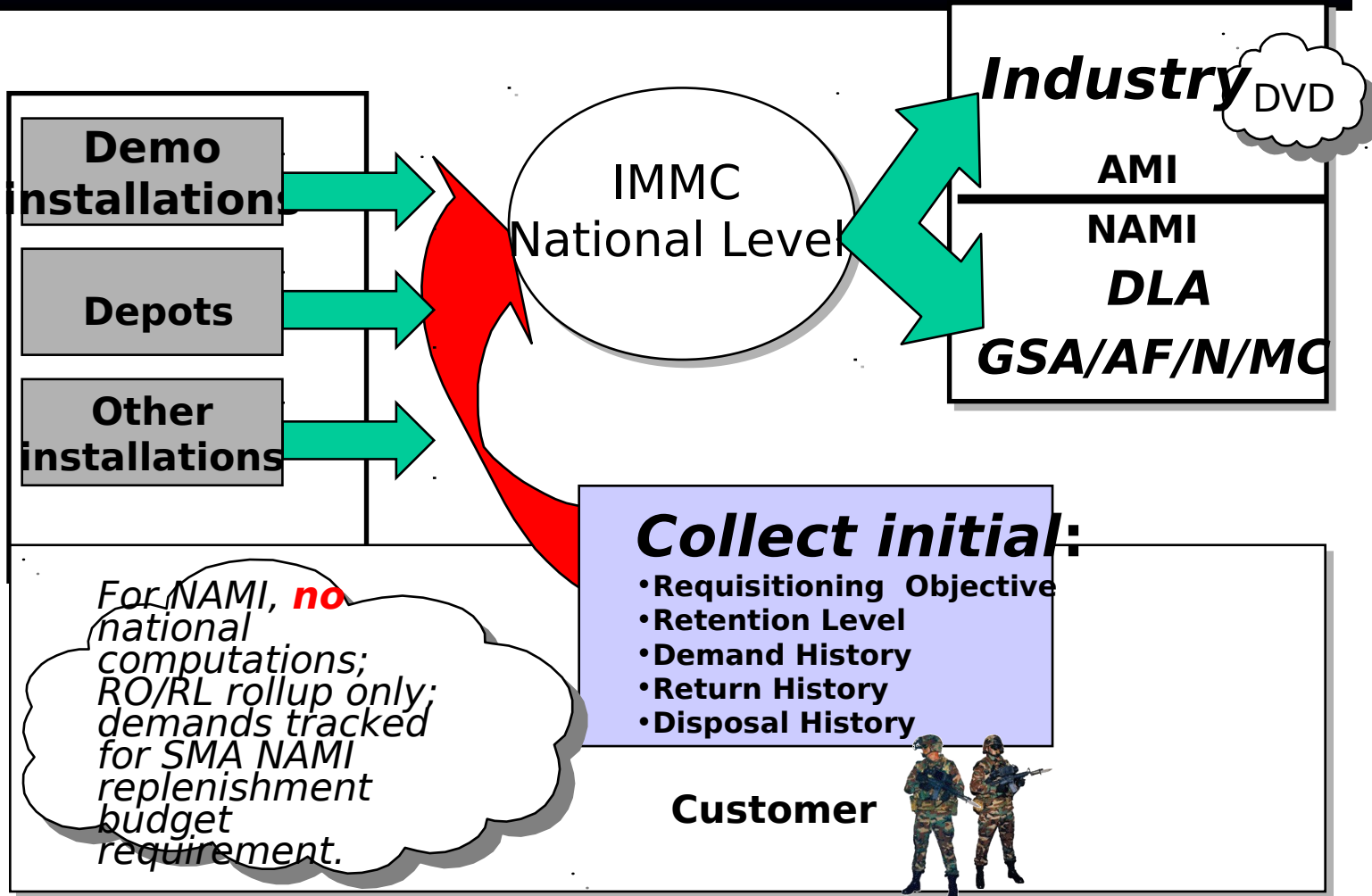
- | | |
|---|--------|
| • Increased workload for AMC | Medium |
| • Accurate calculation for NAMI credit | Medium |
| • May pay out more credit than we receive | Medium |

ACTIONS REQUIRED:

- Mechanism to provide & track credit to O&M account
- Lab test to determine impact on credit, sales & integrated rqmt's



Integrated Requirements Determination & Execution Process





Integrated Requirements Determination & Execution Process Overview

BENEFITS:

- Moves towards defining Army requirement for SMA dollars
- Allows national level to formulate a budget request for NAMI
- Provides better audit trail of SMA dollars required for NAMI
- Centralizes management of a decentralized process
- Promotes reutilization of current Army assets

RISKS:

- Increased NAMI workload (budget & distribution)
- Perception issue at OSD

ASSESSMENT

Medium

Medium

ACTIONS REQUIRED:

- DoD waiver to handle NAMI stocks for Army budget requests



Site Selection Criteria

- **Medium-sized with sufficient activity for data analysis**
- **CONUS Installations**
 - **Focus demo control/direction**
 - **Shorter OST than OCONUS**
- **Should have ISM operations and SAMS-I/TDA (if available)**
- **Avoid other planned major systems demos/exercises**
- **A single financial system should support the demo installation**
- **No contractor-based proprietary systems, i.e., Dyncorp at Ft Rucker**



Proposed Metrics

Task

- **Pass O&M Requisition**
- **Position & Release AWCF-SMA Stocks**
- **Financial Synchronization**
- **Recording Demand Data**

Key Measurements

- **# of requisitions w/definitive supply status**
- **Supply status**
 - release time
 - issue time
 - customer receipt time
- **Obligation of O&M**
- **Processing of Interfund Billing**
- **Closed loop system**
- **Record O&M Demands at National Level**



Proposed Metrics (Cont'd)

Task

- Turn-in of Excess to National Level
- Provide Credit

Key Measurements

- Recorded at National Level
- Compare returns to turn-ins
- Based on National Level Asset Position
- Track credit issued by ICP



Exit Criteria




- **We Will:**
 - **Demonstrate Single Point of Sale**
 - **Demonstrate Single Credit Process**
 - **Demonstrate Integrated Requirements**
 - **Determination and Execution Process**
 - **Maintain AWCF-SMA fund solvency**
 - **Demonstrate minimal impact to Commander's ability to execute mission**

After Action Report will include a Get Well Plan for any deficiencies noted



Demonstration Benefits

- **What will we do?**

-  **Create a National Stock Record for Army Assets, integrated with a requirements determination process**
-  **Reduce redundant transactions in the Retail Stock fund with Single Points of Sale and Credit**
-  **Improve Army's ability to use what we already own.**

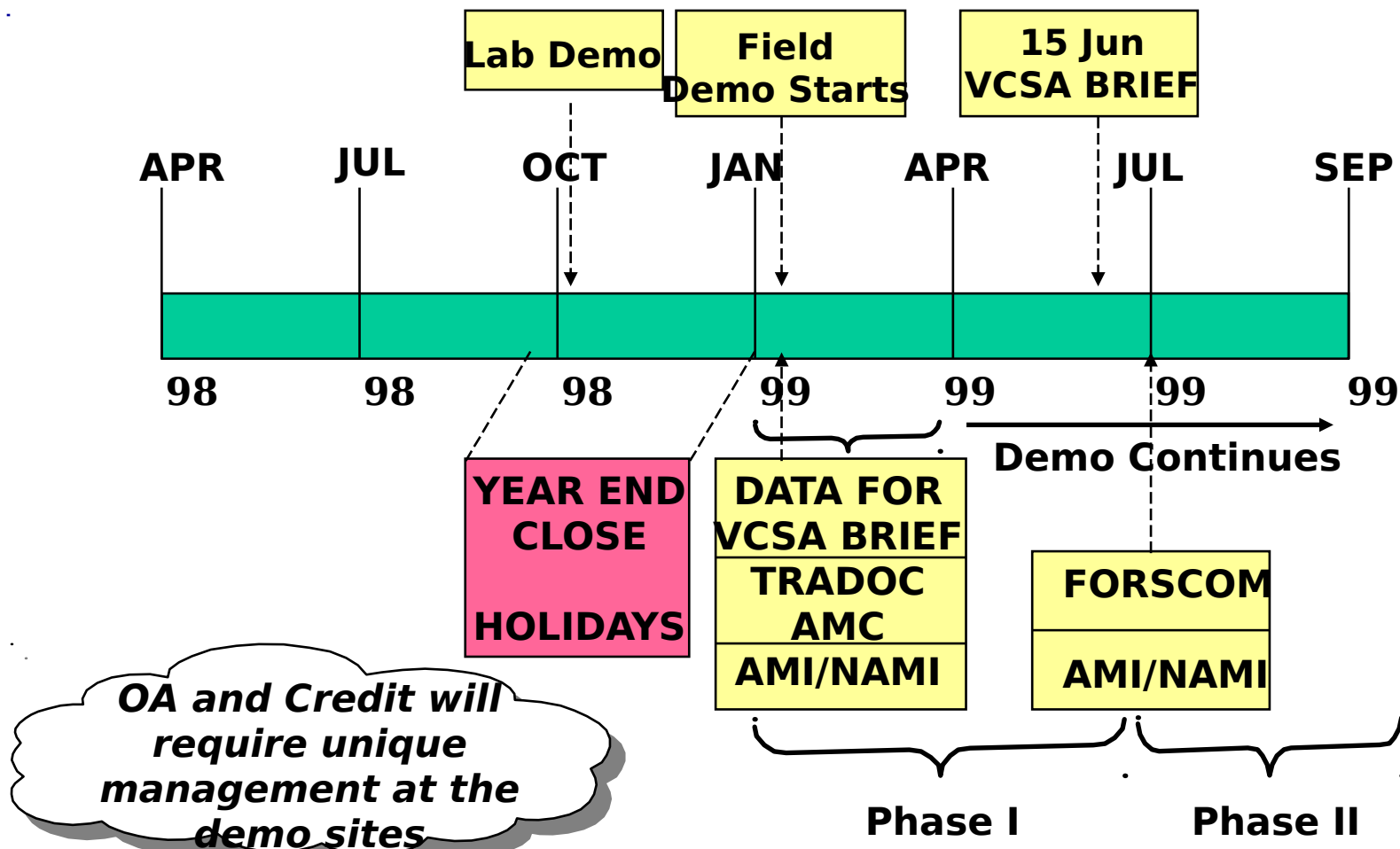


Issues

- **Impact on DFAS systems for the demo, i.e., local purchase, interfund billing, obligation procedures, etc.**
- **Who receives reimbursement for NAMI DoD lateral redistribution actions**
- **Determine which services and materiel are currently paid for by the RSF and will not be reimbursed by the SSF**
- **Extremely compressed timeframe!**



Demonstration Timeline





Exit Criteria for MS 0 to MS1A

- **Approval and implementation of revised financial roles and responsibilities (AWCF-SMA)**
- **Issuance of FY99 AWCF-SMA obligation authority to field MACOMs by AMC - National Manager**
- **Successful test of the new routing of financial reports**
- **Changes to DFAS-IN 37-100-99**
- **Demonstration plan in place**



Summary

- **Merges Management Single Stock Fund
Obligation Authority below
Department Level**
- **Minimizes turbulence to MACOMs and
Installations**
- **Realigns AWCF-SMA execution mission to an
operational command - AMC**
- **Positions AWCF-SMA as a major**

Supports Campaign Plan Objectives



Recommendations

- **Move forward and brief ESC**
 - **Accept revised roles and responsibilities**
 - **Formally designate AMC as National Manager**
 - **Approve demonstration concept**
- **Release message to field**